

INFORMATION FROM

FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

CD NO. 0

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COUNTRY	Poland
SUBJECT	Economic
HOW PUBLISHED	Daily newspapers
WHERE PUBLISHED	Poland
DATE PUBLISHED	December 1948
LANGUAGE	Polish

DATE OF INFORMATION 1948

DATE DIST. 8 Apr 1949

NO. OF PAGES 4

SUPPLEMENT TO
REPORT NO.

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ECONOMIC DEVELOPMENTS DURING THE POSTWAR PERIOD

POSTWAR ECONOMIC DEVELOPMENT -- Polaka Zbrojina, No 344, 15 Dec 48

Losses suffered during the war and occupation amounted to 259 billion prewar zlotys. Direct losses alone are estimated at 90 billion prewar zlotys. Direct losses alone are estimated at 90 billion prewar zlotys, or one half of the total national wealth and five times the national income for 1938. The total national loss was approximately 15 times the national income of 1938. The heaviest losses were suffered by the metal industry (60 percent), railroads (84 percent), and metallurgy (40 percent).

The following table shows the changes in the structure of production:

Value of Annual Production per Capita (in prewar zlotys)

	<u>1938</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
Industry	163 (45.2%)	218	300	368
Agriculture	197 (54.8%)	162	204	225
Total production per capita	360	380	504	593

The value of annual output per worker, measured in prewar roubles, increased as follows:

	<u>1947</u>	<u>1948</u>	<u>1949</u>
Industry	2,175	2,736	2,975
Agriculture	505	625	738
Industry and agriculture combined	215	1,194	1,380

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A marked trend toward increased production in nationalized industry at the expense of private industry is evident in the following figures:

Value of Production (in billion zlotys)

	<u>1947</u>	<u>1949 (estimate)</u>
Nationalized industry	10.4 (83.2%)	16.0 (85.1%)
Private industry	2.1 (16.8%)	2.8 (14.9%)
Total	12.5 (100%)	18.8 (100%)

Total industrial production may be expressed in the following relatives:

<u>Prewar</u>	<u>1947</u>	<u>1948</u>	<u>1949</u>
100	121.8	148.5	169.5

The following data shows the direction taken by the industrial development. First place was given to the production of electric power and means of transportation. Per-capita production of steel was 41.2 kilograms in 1938, 64 kilograms in 1947. Prewar per-capita consumption of electric power was 110 kilowatt-hours while today it is 275 kilowatt-hours. In 1938, 569 railroad cars were manufactured, in 1947 production amounted to 11,205. In 1947, 202 locomotives were built as against 28 in 1938. Before the war, tractors were not manufactured in Poland. Today their production is numbered in thousands. A foundation has been laid for the production of passenger cars and motor trucks. Turbines, ball bearings, and calipers are other products which were not manufactured in prewar Poland.

In 1946 industry employed 846,000 persons. In 1948 employment increased to 1,280,000, and at present, including private industry, it is 1,500,000.

Productive capacity has also increased. In 1949 an increase of 50 percent over 1947 is foreseen.

The situation in agriculture is quite different from that of industry. State holdings in this branch of national economy amount to 10 percent and only indirect planning can be applied.

The liquidation of fallow lands is emphasized. It is foreseen that by the end of 1948 the nation will be entirely selfsustaining in the most important articles of food and a decided increase in planting for industrial purposes is expected. One of the most essential features of the plan in agriculture is the development of cooperatives in other branches of agriculture besides supply and sales.

Foreign trade is developing in line with the national economy. The three-year plan stressed the import of raw materials and factory equipment. Poland carries on trade with 40 different countries. Foreign trade in 1948 is expected to reach one billion dollars. Chief exports are coal, building materials, equipment and machinery, and in 1948 for the first time, food.

According to data received to date, the basic branches of our economy have exceeded the plan for 1948. It is estimated that the over-all Three-Year Reconstruction Plan will also be greatly exceeded in the aggregate.

MINISTER MINC REVIEWS POSTWAR DEVELOPMENT -- Gazeta Ludowa, No 330, 21 Dec 46

Highlights from a speech made by Minister Hilary Minc at the Congress of PZPR (Polska Zjednoczona Partja Robotnicza, Polish United Workers' Party) follows:

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Production Indexes

	<u>1937</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>
Total value of production	100	38	77	707	140.5
Per capita of production	100	55	111	157	199.5

1948 Per-Capita Value of Production (base 1937)

Electric power	266
Coal	264
Raw steel	177
Sugar	170
Wool textiles	154
Cotton textiles	151

In 1937, production of capital goods represented 47 percent of total production (consumer goods, 53 percent). In 1948, the shares were 54 percent and 46 percent respectively.

In 1946 the share of state and cooperative enterprises in industrial production (excluding handicrafts) was 91.2 percent; of the capitalist sector, 8.8 percent. In 1948 the shares were 94 percent, and 6 percent, respectively.

No of Hectares of Fallow Land

	<u>1945</u>	<u>1946</u>	<u>1947</u>	<u>1948</u>
No of hectares	7,941,000	5,958,000	2,497,000	1,148,000
Percent of total arable land	48			9

Yield per Hectare (in quintals)

	<u>Prewar</u>	<u>1946</u>	<u>1948</u>
Wheat	11.9	8.8	11.8
Rye	11.2	9.0	12.5

No of Farm Animals in Regained Territories per 1,000 Inhabitants

	<u>1938</u>	<u>1945</u>	<u>1948</u>
Cattle	302.8	139	241.5
Pigs	215.9	71.6	214.3

Indexes of Farm Production

	<u>1938</u>	<u>1945</u>	<u>1948</u>
Beef, pork and commercial fat	100	26.1	91.8
Milk	100	40.7	74.7
Total agricultural production per capita (plant and animal)	100	45.0	110.0

Agriculture has not kept pace with industry. Small, dispersed units and backward farming methods cannot keep up with centralized, uniformly managed industry working on principles of planned economy.

In 1948 the number of tractors available was 14,300. Imports of horses also increased available tractive power.

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Great strides were made in the electrification of villages. Before the war, villages were electrified at the rate of 50 per year; in 1948, at the rate of 627.

Thanks to the USSR, we will be able to get capital goods on credit for the creation of a solid foundation for industrializing the nation. Today, trade with the USSR is 21.5 percent of our total foreign trade. Trade with the USSR and the people's democracies combined is 37.8 percent of our total foreign trade.

In 1938, employment outside of agriculture was 2,733,000. In mid-1948, employment was 3,534,000.

To stifle the sources creating small business means to transform a small-business economy into a socialist economy. It is not realistic to think of effecting a full transformation from a small-business economy into a socialist economy within the period of the six-year plan. Hence, our primary object in the six-year plan is not the creation of socialism, but the building of foundations for socialism.

Due to capitalism and foreign exploitation, Finland is a backward nation with a low productive capacity. Building the foundation for socialism will require: (1) increase in productive capacity, especially the capacity for creating the means of production; (2) limitation of capitalistic elements; (3) voluntary transition to a socialist economy and the gradual elimination of sources for the development of private capitalism; and (4) a rise in the standard of living.

In the six-year plan, the average planned increase in production each year will be 11-12 percent over the preceding year. This is a far greater increase than that achieved at any time in any capitalist country. By the end of the Plan, production should be 85-95 percent greater than for 1949. Special emphasis will be given to the production of the means of modernizing agriculture. The production of nitrogen fertilizers will be 250 percent greater than in 1949, and 500 percent greater than in 1937. Production of tractors in 1955 will amount to 10,000 or 12,000, six or seven times the figure for 1949.

Agricultural production must increase at a rate to provide for an increase in consumption, or 35-45 percent. From domestic manufacture and imports, agriculture during the six-year plan will receive 50,000-60,000 tractors and many motor vehicles. From 8,000 to 10,000 communities will be electrified. The latest developments in agricultural science will be disseminated. State lands (about 10 percent of the total cultivated area) will be converted into model farms. Other measures undertaken will include aid to poor peasants, suppression of capitalist elements, and the development of machine centers. There will be a gradual, systematic, and voluntary development of production cooperatives.

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